

**CITY OF MINNEOLA, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
Minneola, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Minneola, Kansas and its related municipal entity, the Minneola City Library (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended December 31, 2017, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and the individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated August 17, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for year ended December 31, 2017 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

October 5, 2018

# CITY OF MINNEOLA, KANSAS

## SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund:		
General	\$ 103,051	\$ -
Special purpose funds:		
Library	1,617	-
Library employee benefits	139	-
Employee benefits	13,550	-
Special highway	23,065	-
Equipment reserve	82,175	-
Capital improvements	73,139	-
KHRC grant	-	-
Total special purpose funds	193,685	-
Bond and interest fund:		
Bond and interest	37,337	-
Business funds:		
Water utility	83,847	-
Sewer utility	34,794	-
Trash utility	1,378	-
Total business funds	120,019	-
Total City of Minneola	454,092	-
Related municipal entity:		
Minneola City Library	74,941	-
Total municipal financial reporting entity	\$ 529,033	\$ -
Composition of cash:		
Checking		
Debit card		
Money market		
Certificate of deposit		
Total City of Minneola		
Related municipal entity		
Total municipal financial reporting entity		

The notes to the financial statement are an integral part of this statement.

## STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 404,712</u>	<u>\$ 332,132</u>	<u>\$ 175,631</u>	<u>\$ 4,351</u>	<u>\$ 179,982</u>
19,501	18,330	2,788	-	2,788
2,172	1,953	358	-	358
17,303	14,532	16,321	-	16,321
34,727	57,127	665	18,584	19,249
25,000	39,543	67,632	-	67,632
13,000	7,894	78,245	7,894	86,139
<u>108,000</u>	<u>108,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>219,703</u>	<u>247,379</u>	<u>166,009</u>	<u>26,478</u>	<u>192,487</u>
<u>49,864</u>	<u>52,738</u>	<u>34,463</u>	<u>-</u>	<u>34,463</u>
179,038	211,488	51,397	-	51,397
73,436	95,000	13,230	3,390	16,620
<u>48,173</u>	<u>46,691</u>	<u>2,860</u>	<u>-</u>	<u>2,860</u>
<u>300,647</u>	<u>353,179</u>	<u>67,487</u>	<u>3,390</u>	<u>70,877</u>
974,926	985,428	443,590	34,219	477,809
<u>33,340</u>	<u>31,497</u>	<u>76,784</u>	<u>656</u>	<u>77,440</u>
<u>\$ 1,008,266</u>	<u>\$ 1,016,925</u>	<u>\$ 520,374</u>	<u>\$ 34,875</u>	<u>\$ 555,249</u>
				\$ 213,214
				2,000
				212,595
				<u>50,000</u>
				477,809
				<u>77,440</u>
				<u>\$ 555,249</u>

# CITY OF MINNEOLA, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2017

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

#### 1. Municipal Financial Reporting Entity

The City of Minneola is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Minneola (the Municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Minneola City Library. The Library operates the City's public library. The members of the governing board of the Library are approved by the City Council. The Library is fiscally dependent on the City because the City provides substantial financial support in the form of appropriations. In addition, the Library is prohibited from issuing bonded debt without the approval of the City Council.

#### 2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

#### REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies and transfers from other funds) and payment of general long-term debt.

Business fund – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service funds, etc.).



## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

### 4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in the official newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the Equipment Reserve, Capital Improvements, and KHRC Grant special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$477,809 and the bank balance was \$487,302. Of the bank balance, \$250,000 was covered by federal depository insurance and \$237,302 was collateralized with securities held by the pledging financial institution's agents in the City's name.

## C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
General improvements					
Issued September 28, 2009					
In the amount of \$465,000					
At an interest rate of 2.0%-4.25%					
Maturing November 1, 2020	<u>\$ 190,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 145,000</u>	<u>\$ 7,738</u>
Revolving loans:					
Kansas Dept. of Health and Environment					
Issued March 26, 2013					
In the amount of \$712,780					
At an interest rate of 2.16%					
Maturing February 1, 2034	<u>636,801</u>	<u>-</u>	<u>30,300</u>	<u>606,501</u>	<u>13,592</u>
Capital leases:					
2005 Pumper Fire Truck					
Issued March 30, 2017					
In the amount of \$56,000					
At an interest rate of 3.35%					
Maturing April 1, 2022	<u>-</u>	<u>56,000</u>	<u>6,925</u>	<u>49,075</u>	<u>1,197</u>
2015 JD Backhoe					
Issued March 31, 2017					
In the amount of \$95,987					
At an interest rate of 3.25%					
Maturing April 1, 2022	<u>-</u>	<u>95,987</u>	<u>11,904</u>	<u>84,083</u>	<u>1,981</u>
2017 JD Skid Steer					
Issued June 6, 2017					
In the amount of \$27,992					
At an interest rate of 3.25%					
Maturing June 1, 2022	<u>-</u>	<u>27,992</u>	<u>2,609</u>	<u>25,383</u>	<u>426</u>
Total capital leases	<u>-</u>	<u>179,979</u>	<u>21,438</u>	<u>158,541</u>	<u>3,604</u>
Total contractual indebtedness	<u>\$ 826,801</u>	<u>\$ 179,979</u>	<u>\$ 96,738</u>	<u>\$ 910,042</u>	<u>\$ 24,934</u>

Current maturities of general obligation bonds through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 45,000	\$ 6,050	\$ 51,050
2019	40,000	4,250	44,250
2020	60,000	2,550	62,550
Total	<u>\$ 145,000</u>	<u>\$ 12,850</u>	<u>\$ 157,850</u>

### C. LONG-TERM DEBT (CONTINUED)

Current maturities of revolving loans for the next five years and in five year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 30,958	\$ 12,934	\$ 43,892
2019	31,630	12,262	43,892
2020	32,317	11,575	43,892
2021	33,019	10,873	43,892
2022	33,736	10,156	43,892
2023-2027	179,994	39,467	219,461
2028-2032	200,405	19,056	219,461
2033-2034	<u>64,442</u>	<u>1,397</u>	<u>65,839</u>
Total	<u>\$ 606,501</u>	<u>\$ 117,720</u>	<u>\$ 724,221</u>

Current maturities of capital leases through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 34,396	\$ 4,687	\$ 39,083
2019	35,542	3,541	39,083
2020	36,718	2,365	39,083
2021	37,949	1,134	39,083
2022	<u>13,936</u>	<u>103</u>	<u>14,039</u>
Total	<u>\$ 158,541</u>	<u>\$ 11,830</u>	<u>\$ 170,371</u>

### D. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Capital Improvement	K.S.A. 12-1,118	\$ 8,000
General	Equipment Reserve	K.S.A. 12-1,117	25,000
General	Special Highway	K.S.A. 12-1,119	16,000
Trash Utility	Capital Improvement	K.S.A. 12-825d	5,000
Water Utility	Bond and Interest	K.S.A. 12-825d	<u>30,000</u>
			<u>\$ 84,000</u>
Transfers to related municipal entity:			
Library	Minneola City Library		\$ 18,330
Library Employee Benefits	Minneola City Library		<u>1,953</u>
			<u>\$ 20,283</u>

## E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Compensated absences.* The City's compensated absence policy permits employees to earn vacation up to twenty days per year depending upon the years of service. The City's policy allows employees to carry over all accumulated vacation. Unused vacation is paid upon termination or resignation.

Sick leave is accumulated at the rate of one day per month. The maximum number of days eligible to be carried over to a subsequent year is thirty days. Unused sick leave is not paid upon termination or resignation. The City's policy is to recognize the costs of compensated absences when actually paid.

## F. DEFINED BENEFIT PENSION PLAN

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$16,812 for the year ended December 31, 2017.

*Net Pension Liability.* At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$125,407. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

## H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 5, 2018, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

## CITY OF MINNEOLA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 348,900	\$ -	\$ 348,900	\$ 332,132	\$ 16,768
Special purpose funds:					
Library	18,740	-	18,740	18,330	410
Library employee benefits	2,000	-	2,000	1,953	47
Employee benefits	25,000	-	25,000	14,532	10,468
Special highway	57,408	-	57,408	57,127	281
Bond and interest fund:					
Bond and interest	73,738	-	73,738	52,738	21,000
Business funds:					
Water utility	238,892	-	238,892	211,488	27,404
Sewer utility	95,000	-	95,000	95,000	-
Trash utility	55,000	-	55,000	46,691	8,309
	<u>\$ 914,678</u>	<u>\$ -</u>	<u>\$ 914,678</u>	<u>\$ 829,991</u>	<u>\$ 84,687</u>

See Independent Auditor's Report.



## CITY OF MINNEOLA, KANSAS

## GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 57,265	\$ 86,154	\$ 86,528	\$ (374)
Delinquent tax	-	5,752	500	5,252
Motor vehicle tax	11,963	12,726	13,132	(406)
Recreational vehicle tax	145	151	156	(5)
Special assessments	1,250	1,500	1,000	500
Intangibles tax	3,930	3,472	3,384	88
State and federal aid	-	27,954	-	27,954
Local sales tax	85,895	94,688	42,500	52,188
Franchise tax	36,472	36,729	35,000	1,729
Amounts from Clark County	45,000	10,000	-	10,000
Wind farm donations	-	50,050	-	50,050
Licenses, permits and fees:				
Licenses and permits	900	600	1,000	(400)
Animal control	1,133	365	-	365
Fines, forfeitures and penalties	12,961	32,352	100,000	(67,648)
Charges for services	19,328	23,827	18,000	5,827
Interest	651	887	-	887
Miscellaneous	13,891	18,912	8,000	10,912
Operating transfers in	-	-	10,000	(10,000)
Neighborhood revitalization	(690)	(1,407)	(2,402)	995
Total receipts	290,094	404,712	\$ 316,798	\$ 87,914
Expenditures:				
General government:				
Personal services	33,085	42,109	\$ 50,000	\$ 7,891
Contractual services	65,486	75,320	80,000	4,680
Commodities	11,844	10,597	15,000	4,403
Capital outlay	2,400	806	15,000	14,194
Public safety:				
Law enforcement	3,600	3,600	3,900	300
Fire department	19,060	10,249	5,000	(5,249)
Police department:				
Personal services	-	30,456	55,000	24,544
Contractual services	-	-	5,000	5,000
Commodities	-	-	5,000	5,000
Capital outlay	59,295	20,295	-	(20,295)
Municipal court:				
Personal services	3,241	3,553	10,000	6,447
Contractual services	17,111	14,762	30,000	15,238
Culture and recreation:				
Personal services	34,425	38,026	45,000	6,974
Contractual services	16,568	14,372	15,000	628
Commodities	8,442	8,987	15,000	6,013
Capital outlay	-	10,000	-	(10,000)
Operating transfers out	100,000	49,000	-	(49,000)
Total expenditures	374,557	332,132	\$ 348,900	\$ 16,768
Receipts over (under) expenditures	(84,463)	72,580		
Unencumbered cash, beginning of year	187,514	103,051	\$ 32,102	\$ 70,949
Unencumbered cash, end of year	\$ 103,051	\$ 175,631		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 14,493	\$ 14,726	\$ 14,800	\$ (74)
Delinquent tax	-	1,597	100	1,497
Motor vehicle tax	3,682	3,379	3,322	57
Recreational vehicle tax	45	39	40	(1)
Neighborhood revitalization	(174)	(240)	(410)	170
Total receipts	18,046	19,501	<u>\$ 17,852</u>	<u>\$ 1,649</u>
Expenditures:				
Transfer to related municipal entity	18,046	18,330	<u>\$ 18,740</u>	<u>\$ 410</u>
Receipts over (under) expenditures	-	1,171		
Unencumbered cash, beginning of year	1,617	1,617	<u>\$ 888</u>	<u>\$ 729</u>
Unencumbered cash, end of year	<u>\$ 1,617</u>	<u>\$ 2,788</u>		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,500	\$ 1,673	\$ 1,680	\$ (7)
Delinquent tax	-	169	20	149
Motor vehicle tax	396	353	343	10
Recreational vehicle tax	5	4	4	-
Neighborhood revitalization	(18)	(27)	(47)	20
Total receipts	1,883	2,172	<u>\$ 2,000</u>	<u>\$ 172</u>
Expenditures:				
Transfer to related municipal entity	1,883	1,953	<u>\$ 2,000</u>	<u>\$ 47</u>
Receipts over (under) expenditures	-	219		
Unencumbered cash, beginning of year	139	139	<u>\$ -</u>	<u>\$ 139</u>
Unencumbered cash, end of year	<u>\$ 139</u>	<u>\$ 358</u>		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 10,511	\$ 12,573	\$ 12,631	\$ (58)
Delinquent tax	-	1,433	100	1,333
Motor vehicle tax	3,643	2,744	2,408	336
Recreational vehicle tax	49	29	29	-
Miscellaneous	-	729	-	729
Neighborhood revitalization	(127)	(205)	(350)	145
Total receipts	14,076	17,303	<u>\$ 14,818</u>	<u>\$ 2,485</u>
Expenditures:				
General government:				
Contractual services	14,834	14,532	<u>\$ 25,000</u>	<u>\$ 10,468</u>
Receipts over (under) expenditures	(758)	2,771		
Unencumbered cash, beginning of year	14,308	13,550	<u>\$ 10,182</u>	<u>\$ 3,368</u>
Unencumbered cash, end of year	<u>\$ 13,550</u>	<u>\$ 16,321</u>		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
State of Kansas gas tax	\$ 18,979	\$ 18,727	\$ 18,790	\$ (63)
Operating transfer in	-	16,000	-	16,000
Total receipts	18,979	34,727	\$ 18,790	\$ 15,937
Expenditures:				
Public works:				
Personal services	2,450	5,850	\$ 10,000	\$ 4,150
Contractual services	3,000	2,600	40,000	37,400
Commodities	21,682	38,109	7,408	(30,701)
Capital outlay	700	10,568	-	(10,568)
Total expenditures	27,832	57,127	\$ 57,408	\$ 281
Receipts over (under) expenditures	(8,853)	(22,400)		
Unencumbered cash, beginning of year	31,918	23,065	\$ 38,618	\$ (15,553)
Unencumbered cash, end of year	\$ 23,065	\$ 665		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Operating transfers in	<u>\$ 75,000</u>	<u>\$ 25,000</u>
Expenditures:		
Debt service:		
Principal	-	21,439
Interest	-	3,604
Capital outlay	<u>5,425</u>	<u>14,500</u>
Total expenditures	<u>5,425</u>	<u>39,543</u>
Receipts over (under) expenditures	69,575	(14,543)
Unencumbered cash, beginning of year	<u>12,600</u>	<u>82,175</u>
Unencumbered cash, end of year	<u><u>\$ 82,175</u></u>	<u><u>\$ 67,632</u></u>

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## CAPITAL IMPROVEMENTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
Operating transfers in	\$ 32,500	\$ 13,000
Expenditures:		
Capital outlay	<u>-</u>	<u>7,894</u>
Receipts over (under) expenditures	32,500	5,106
Unencumbered cash, beginning of year	<u>40,639</u>	<u>73,139</u>
Unencumbered cash, end of year	<u>\$ 73,139</u>	<u>\$ 78,245</u>

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## KHRC GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
Receipts:		
State of Kansas	\$ 65,500	\$ 108,000
Expenditures:		
General government:		
Capital outlay	<u>65,500</u>	<u>108,000</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.



## CITY OF MINNEOLA, KANSAS

## BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 30,033	\$ 10,594	\$ 10,693	\$ (99)
Delinquent tax	-	2,647	100	2,547
Motor vehicle tax	6,216	6,716	6,886	(170)
Recreational vehicle tax	78	80	82	(2)
Operating transfers in	30,000	30,000	20,000	10,000
Neighborhood revitalization	(362)	(173)	(295)	122
Total receipts	65,965	49,864	\$ 37,466	\$ 12,398
Expenditures:				
Debt service:				
Principal	45,000	45,000	\$ 45,000	\$ -
Interest	9,312	7,738	7,738	-
Fees and commission	-	-	1,000	1,000
Cash basis reserve	-	-	20,000	20,000
Total expenditures	54,312	52,738	\$ 73,738	\$ 21,000
Receipts over (under) expenditures	11,653	(2,874)		
Unencumbered cash, beginning of year	25,684	37,337	\$ 36,272	\$ 1,065
Unencumbered cash, end of year	\$ 37,337	\$ 34,463		

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 176,300	\$ 174,244	\$ 190,000	\$ (15,756)
Miscellaneous	18,473	4,794	-	4,794
Total receipts	194,773	179,038	\$ 190,000	\$ (10,962)
Expenditures:				
Public works:				
Personal services	52,479	64,486	\$ 70,000	\$ 5,514
Contractual services	46,447	58,246	70,000	11,754
Commodities	6,762	10,864	20,000	9,136
Capital outlay	1,929	4,000	5,000	1,000
Debt service:				
Principal	29,656	30,300	30,300	-
Interest and fees	14,236	13,592	13,592	-
Operating transfers out	30,000	30,000	30,000	-
Total expenditures	181,509	211,488	\$ 238,892	\$ 27,404
Receipts over (under) expenditures	13,264	(32,450)		
Unencumbered cash, beginning of year	70,583	83,847	\$ 49,191	\$ 34,656
Unencumbered cash, end of year	\$ 83,847	\$ 51,397	\$ 299	\$ 51,098

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 73,739	\$ 73,436	\$ 76,000	\$ (2,564)
Expenditures:				
Public works:				
Personal services	35,556	47,880	\$ 50,000	\$ 2,120
Contractual services	13,905	16,697	20,000	3,303
Commodities	10,089	12,428	15,000	2,572
Capital outlay	1,200	17,995	10,000	(7,995)
Total expenditures	60,750	95,000	\$ 95,000	\$ -
Receipts over (under) expenditures	12,989	(21,564)		
Unencumbered cash, beginning of year	21,805	34,794	\$ 25,805	\$ 8,989
Unencumbered cash, end of year	\$ 34,794	\$ 13,230	\$ 6,805	\$ 6,425

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

## TRASH UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		Variance
	2016	Actual	Budget	favorable (unfavorable)
Receipts:				
Charges for services	\$ 48,459	\$ 48,173	\$ 55,000	\$ (6,827)
Expenditures:				
Public works:				
Contractual services	41,454	41,691	\$ 55,000	\$ 13,309
Operating transfers out	7,500	5,000	-	(5,000)
Total expenditures	48,954	46,691	\$ 55,000	\$ 8,309
Receipts over (under) expenditures	(495)	1,482		
Unencumbered cash, beginning of year	1,873	1,378	\$ 5,873	\$ (4,495)
Unencumbered cash, end of year	\$ 1,378	\$ 2,860	\$ 5,873	\$ (3,013)

See Independent Auditor's Report.

## CITY OF MINNEOLA, KANSAS

MINNEOLA CITY LIBRARY  
(RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASISFor the Year Ended December 31, 2017  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017
Receipts:		
Transfers from City:		
General	\$ 18,046	\$ 18,330
Employee benefits	1,883	1,953
County appropriation	-	5,000
State aid	227	214
SWKLS grants	6,300	6,007
Other income	1,785	537
Interest on investments	138	161
Summer reading	1,184	1,138
	<u>29,563</u>	<u>33,340</u>
Total receipts		
Expenditures:		
Culture and recreation:		
Materials	3,752	4,790
Operations	4,029	4,066
Personnel	13,004	20,801
Technology	2,813	1,540
Courier service	-	300
	<u>23,598</u>	<u>31,497</u>
Total expenditures		
Receipts over (under) expenditures	5,965	1,843
Unencumbered cash, beginning of year	68,976	74,941
	<u>74,941</u>	<u>76,784</u>
Unencumbered cash, end of year		

See Independent Auditor's Report.